

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2765**

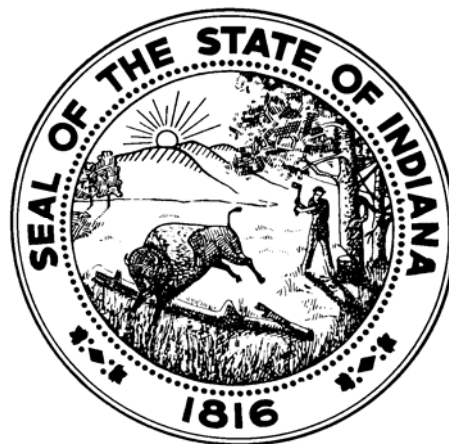
EXAMINATION REPORT

OF

CLAY TOWNSHIP

ST. JOSEPH COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**  
10/24/2006



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OFFICIALS

Office

Official

Term

Trustee

Rob Thomas

01-01-03 to 12-31-06

Chairman of the  
Township Board

Alice Langel

01-01-03 to 12-31-06



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLAY TOWNSHIP, ST. JOSEPH COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Clay Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 14, 2006

CLAY TOWNSHIP, ST. JOSEPH COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 134,406	\$ 216,949	\$ 181,166	\$ 170,189
Dog	588	733	288	1,033
Township Assistance	65,639	76,670	103,267	39,042
Fire Territory	866,674	2,192,735	2,496,387	563,022
Fire Equipment Debt	146,848	206,385	342,314	10,919
Building or Remodeling	2,771	-	2,371	400
Equipment Replacement Fund	410,081	458,969	-	869,050
Fiduciary Fund:				
Fire Territory Donations	2,791	6,654	6,366	3,079
Totals	<u>\$ 1,629,798</u>	<u>\$ 3,159,095</u>	<u>\$ 3,132,159</u>	<u>\$ 1,656,734</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 170,189	\$ 190,680	\$ 269,323	\$ 91,546
Dog	1,033	170	733	470
Township Assistance	39,042	133,383	163,276	9,149
Fire Territory	563,022	2,339,589	2,894,908	7,703
Rainy Day Fund		45,328	-	45,328
Fire Equipment Debt	10,919	133,187	228,728	(84,622)
Building or Remodeling	400	-	-	400
Equipment Replacement Fund	869,050	923,988	1,162,723	630,315
Fiduciary Fund:				
Fire Territory Donations	3,079	7,743	8,100	2,722
Totals	<u>\$ 1,656,734</u>	<u>\$ 3,774,068</u>	<u>\$ 4,727,791</u>	<u>\$ 703,011</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 91,546	\$ 282,297	\$ 191,406	\$ 182,437
Dog	470	12	180	302
Township Assistance	9,149	141,457	55,104	95,502
Fire Territory	7,703	2,884,963	2,386,195	506,471
Rainy Day Fund	45,328	811	-	46,139
Fire Equipment Debt	(84,622)	402,401	225,173	92,606
Building or Remodeling	400	-	-	400
Equipment Replacement Fund	630,315	351,021	220,404	760,932
Fiduciary Fund:				
Fire Territory Donations	2,722	13,628	7,531	8,819
Totals	<u>\$ 703,011</u>	<u>\$ 4,076,590</u>	<u>\$ 3,085,993</u>	<u>\$ 1,693,608</u>

The accompanying notes are an integral part of the schedules.

CLAY TOWNSHIP, ST. JOSEPH COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CLAY TOWNSHIP, ST. JOSEPH COUNTY  
NOTES TO SCHEDULES  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Township authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Township has entered into general obligation bonds for a fire station building. The outstanding principal at December 31, 2005, was \$700,000.



CLAY TOWNSHIP, ST. JOSEPH COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2006, with Rob Thomas, Trustee; and Georgeann Ewald, Deputy Trustee. Our examination disclosed no material items that warrant comment at this time.